



# County of Fresno

Hall of Records, Rm. 301  
2281 Tulare Street  
Fresno, California  
93721-2198

## Legislation Details (With Text)

**File #:** 16-1199

**On agenda:** 10/11/2016

**Final action:** 10/11/2016

**Enactment date:**

**Enactment #:** Resolution No. 16-398, Resolution No. 16-399

**Title:** Adopt Resolution authorizing Pacific Gas & Electric Company to transfer County of Fresno Rule 20A credits previously allocated to the Parlier Avenue Project in the amount of \$920,000 to a project for undergrounding of existing overhead utilities along portion of Mendocino Avenue (Mendocino Avenue Project); and adopt Resolution transferring additional County of Fresno Rule 20A credits in the amount of \$49,530 to City of Parlier for the Mendocino Avenue Project

**Attachments:** 1. Agenda Item, 2. Exhibit A, 3. Resolution No. 16-398, 4. Resolution No. 16-399

Date	Ver.	Action By	Action	Result
10/11/2016	1	Board of Supervisors	Approved (Consent Agenda)	Pass

**DATE:** October 11, 2016

**TO:** Board of Supervisors

**SUBMITTED BY:** Steven E. White, Director  
Department of Public Works and Planning

**SUBJECT:** Resolutions authorizing Pacific Gas & Electric Company to transfer County of Fresno Rule 20A Credits in support of the undergrounding program for the City of Parlier's Mendocino Avenue Project

### RECOMMENDED ACTION(S):

**1. Adopt Resolution authorizing Pacific Gas & Electric Company to transfer County of Fresno Rule 20A credits previously allocated to the Parlier Avenue Project in the amount of \$920,000 to a project for the undergrounding of existing overhead utilities along a portion of Mendocino Avenue (Mendocino Avenue Project).**

**2. Adopt Resolution transferring additional County of Fresno Rule 20A credits in the amount of \$49,530 to the City of Parlier for the Mendocino Avenue Project.**

Previously, the County authorized Pacific Gas & Electric Company (PG&E) to transfer County of Fresno Rule 20A credits to the City of Parlier (City) for a project to underground existing overhead utilities along Parlier Avenue from Academy Avenue to Madsen Avenue (the Parlier Avenue Project). The first recommended action will allow PG&E to transfer County of Fresno Rule 20A credits in the amount of \$920,000 from the Parlier Avenue Project to a project to perform the undergrounding of existing overhead utilities along Mendocino Avenue from Manning Avenue to Parlier Avenue (the Mendocino Avenue Project). The second recommended action will allow PG&E to transfer an additional \$49,530 of County Rule 20A credits required to complete the Mendocino Avenue Project.

### ALTERNATIVE ACTION(S):

If your Board does not approve the recommended actions, the City of Parlier will be unable to use the County's Rule 20A credits to complete the Mendocino Avenue Project.

### FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Staff costs for the administration of Underground Utility District (UUD) projects have been budgeted within the Public Works and Planning - Roads Org 4510 Adopted Budget for FY 2016-17. The County Rule 20A credits in the amount of \$920,000 to be transferred to the City will be taken from the Parlier Avenue Project and the additional \$49,530 in County Rule 20A credits will be transferred to the City from the credits allocated by PG&E to the County Rule 20A program.

### DISCUSSION:

In the latter part of 1967, the California Public Utilities Commission (CPUC) directed that all privately (investor) owned electrical utility firms provide annual funding in the form of allocation credits to cities and counties for conversion of existing overhead utilities to underground. By participating in the program the County, on an annual basis, receives credits from PG&E and Southern California Edison (SCE) under the CPUC Rule 20A program for the purpose of undergrounding overhead utilities. The credits allocated to the County do not represent actual funding but rather, represent utility company revenues received through tariffs dedicated to undergrounding overhead utilities.

Since 1968, the County has administered its Rule 20A Program pursuant to a succession of Board-adopted five-year programs for the undergrounding of overhead electrical, telephone, and cable television facilities in the County. Currently, the County is working under the 2013-2017 Five-Year UUD Program adopted by the Board on April 22, 2014. The Mendocino Avenue Project and the Parlier Avenue Project are two of the nine primary undergrounding projects located within an incorporated area that are listed on the current five-year program.

On January 10, 2006 the Board adopted Resolution #06-013 approving the transfer of County Rule 20A credits in the amount of \$750,000 to be allocated to the City for the Mendocino Avenue Project. This project was initially placed on the County's 2003-2007 Five-Year UUD Program as a primary project and has been carried over for each successive County Five-Year UUD Program thereafter. According to PG&E, the project was delayed due to budget constraints which led to project deferment, easement issues which led to the project being placed on hold, and redesigns to avoid easement issues.

On April 28, 2009, the Board adopted Resolution #09-164 approving the transfer of County Rule 20A credits in the amount of \$920,000 to be allocated to the City for the Parlier Avenue Project. This project was initially placed on the 2003-2007 Five-Year UUD Program as a back-up project. The 2008-2012 Five-Year UUD Program changed the status of this project to "Primary," and the project has been carried over with each successive County Five-Year UUD Program thereafter. Due to the expense of performing the undergrounding work for the Parlier Avenue Project, the City decided not to proceed and requested that the County transfer the Rule 20A credits allocated for the Parlier Avenue Project to the Mendocino Avenue Project.

The City has made a formal request per a letter for the transfer of County Rule 20A credits to assist with the funding for the Mendocino Avenue Project (Exhibit A). Currently, the Mendocino Avenue Project estimated cost is \$2,262,639. The City's credits available as of the date of this item total \$1,293,109, which amount consists of \$750,000 from the credits allocated by the Board and \$543,109 from the City's Rule 20A credits. Therefore, the Mendocino Project is underfunded by \$969,530. If your Board approves the recommended actions, the Mendocino Project will be fully funded and, according to PG&E, ready to start construction.

The cost increase for the Mendocino Avenue Project is due to the fact that there is now a detailed estimate that is based on current unit costs. Project costs were initially "ballpark estimates" made by PG&E more than 10 years ago without the benefit of having a detailed design and today's costs. A detailed design with the current costs was completed by PG&E in 2016.

As indicated in the resolutions, the County requests that any unused portion of the allocated County Rule 20A credits to the City are returned by the City to the County upon the closing by PG&E of the Mendocino Avenue Project.

It is important to note that the Department has seen a significant cost increase in several of the projects listed in the five-year program. Currently the amount of Rule 20A credits needed to satisfy the approved five-year program is greater than the amount of Rule 20A credits available. The reason for this difference in cost is that some projects have been inactive for many years, and projects began as early as 2003. Many of the projects experienced unforeseen circumstances caused by lack of continuity in project management by other agencies, issues with obtaining right-of-way or easements, and PG&E's workload. The Department is currently revising the policy concerning the allocation of County Rule 20A credits and the projected 2018-2022 Five-Year UUD Program that staff will bring to the Board at a later date.

REFERENCE MATERIAL:

BAI #32 January 10, 2006

BAI #38 April 28, 2009

BAI #41 April 22, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with Clerk - Resolution (Rule 20A Transfer Parlier Ave to Mendocino Ave)

On file with Clerk - Resolution (Rule 20A Transfer to City of Parlier)

CAO ANALYST:

John Hays